

## **UPDATED INFORMATIVE DIGEST**

Current regulations provide that an Assistance Unit (AU) which includes a recipient shall be allowed to retain cash reserves totaling a maximum of \$5,000 in a restricted account at a financial institution. Current regulations direct county welfare departments to follow food stamp regulations pertaining to personal property and resources to be excluded from consideration when evaluating property limits. Assembly Bill (AB) 2466 (Chapter 781, Statutes of 2006) and AB 1078 (Chapter 622, Statutes of 2007) made changes to the asset exclusion rules for California Work Opportunity and Responsibility to Kids (CalWORKs) applicants and recipients. The intent of these bills is to promote savings and self-sufficiency in CalWORKs families. AB 2466 added three retirement account exemptions for CalWORKs recipients and inadvertently took away three retirement account exemptions for CalWORKs applicants. AB 1078 reinstated the three exemptions for applicants, added three more exemptions for recipients, removed the \$5,000 limit on restricted accounts for CalWORKs recipients, and increased Earned Income Tax Credit (EITC) outreach and education.

These regulations will establish the expansion of the CalWORKs asset exclusion rules as mandated by AB 2466 and AB 1078. Current CalWORKs recipients, therefore, are being disadvantaged until these regulations and procedures can be put in place.

These regulations were considered at the public hearing held on March 18, 2009 in Sacramento, California. No oral or written testimony was received therefore no changes were made to these regulations due to public testimony.

At the department's discretion, a change to Section 40-107 (f)(3)(A) has been made following the public hearing:

The intent of the bill is to mandate that counties inform, assist and encourage access to EITC. This wording change will direct counties to provide EITC informational material to the CalWORKs recipients, rather than the tax forms themselves. Without this wording change, the regulation would require county staff to help clients fill out the EITC tax forms; county staff does not have the expertise to prepare or complete tax forms.

Pursuant to Government Code Section 11346.8, a 15-day renote and complete text of modifications made to the regulations were made available to the public following the public hearing. No written testimony on the modifications renoted for public comment from June 16 to July 1, 2009 was received.